

DIRECT TESTIMONY OF
JOHN H. RAFTERY
ON BEHALF OF
DOMINION ENERGY SOUTH CAROLINA, INC.
DOCKET NO. 2020-63-E

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.

A. My name is John H. Raftery. My business address is 220 Operation Way, Cayce, South Carolina. I am the Director of Rates and Regulatory Affairs for Dominion Energy South Carolina, Inc. ("DESC").

Q. BRIEFLY STATE YOUR EDUCATION, BACKGROUND, AND EXPERIENCE.

A. I am a graduate of Northwestern University with a Bachelor of Science degree in Mechanical Engineering. I began my public utilities career in 1994 as an Information Technology Management Consultant with Price Waterhouse and continued with Oracle Corporation in 1998. I joined SCANA Corporation ("SCANA") in 2003 as a Client Manager in the Customer Systems Support Organization, and gained the responsibilities of the Customer Service Training Department several years later. In 2010, I assumed responsibility for the SCANA Contact Centers and Technology Services, with the addition of South Carolina

Electric & Gas Company's¹ Business Offices in 2013. In November 2014, I became General Manager of Renewable Products/Services and Energy Demand Management. I assumed my current role as Director of Rates and Regulatory Affairs for DESC in March of 2019.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA ("COMMISSION")?

A. Yes. I have testified in a number of different proceedings before the Commission.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to discuss the (i) development and applicability of the South Carolina Generator Interconnection Procedures, Forms, and Agreements (the "South Carolina Standard"), (ii) efforts the parties have undertaken to informally resolve the dispute related to the solar generator (the "Generating Facility") that BATO has requested permission from the Commission to operate, and (iii) reasons why BATO's request for a waiver is inappropriate in this context.

Q. WHAT IS YOUR FAMILIARITY WITH THE SOUTH CAROLINA STANDARD?

¹ South Carolina Electric & Gas Company changed its name to DESC in April of 2019.

1 A. I am familiar with the South Carolina Standard and, as explained more fully
2 below, I was involved with the policy discussions and drafting of the South
3 Carolina Standard.

4 By way of background, prior to 2014, the only state-approved process that
5 existed for interconnections in South Carolina was for interconnections of 100 kW
6 or less. In 2014, legislation was passed unanimously by the South Carolina
7 General Assembly through the Distributed Energy Resource Program Act of 2014
8 (“Act 236”). Act 236 prompted the need for a state interconnection process to
9 address larger renewable projects. Beginning in or around the end of 2014 and the
10 beginning of 2015, South Carolina electric utilities and the South Carolina Office
11 of Regulatory Staff (“ORS”) began to develop an interconnection procedure for
12 such projects. I, along with others—including the South Carolina Solar Business
13 Alliance, Inc. (“SCSBA”) and utility-scale developers—participated in the
14 drafting of the South Carolina Standard, and we used approaches of other states,
15 such as North Carolina, as a guide. Following input from numerous organizations
16 through a stakeholder process facilitated by the ORS the proposed interconnection
17 procedure was submitted to the Commission on or about October 9, 2015, and
18 ultimately approved by the Commission on or about April 26, 2016.

19
20 **Q. IN DEVELOPING THE SOUTH CAROLINA STANDARD, WAS IT**
21 **CONTEMPLATED THAT THE SOUTH CAROLINA STANDARD**
22 **WOULD APPLY TO INDUSTRIAL CUSTOMERS INSTALLING THEIR**

1 **OWN BEHIND-THE-METER GENERATION THAT WOULD OPERATE**
2 **IN PARALLEL TO THE DESC SYSTEM?**

3 A. Yes. Generation installed by large industrial customers on the DESC
4 system—whether “behind the meter” or otherwise—that would operate in parallel
5 was fully intended to be subject to the South Carolina Standard and is expressly
6 addressed therein. Section 1.1.1 of the Procedures in the South Carolina Standard
7 mandate that the South Carolina Standard apply to “the interconnection and
8 parallel operation of Generating Facilities with Utility Systems in South Carolina.”
9 (emphasis added). These requirements are echoed in the form Interconnection
10 Agreement in the South Carolina Standard (the “Form IA”). Section 1.2 of the
11 Commission-approved Form IA mandates that the terms and conditions therein are
12 applicable when an “Interconnection Customer’s Generating Facility will
13 interconnect with, and operate in parallel with, the Utility’s System.” As such, the
14 Generating Facility falls squarely within the jurisdiction of the South Carolina
15 Standard because it will interconnect and operate in parallel with DESC’s system,
16 as discussed in greater detail by DESC Witness Furtick and DESC Witness
17 Xanthakos.

18
19 **Q. WERE YOU SURPRISED TO LEARN THAT THE SCSBA SUBMITTED**
20 **CORRESPONDENCE IN THIS DOCKET?**

21 A. Not at all. As discussed above, the SCSBA participated in the adoption of
22 the South Carolina Standard and notes as much in the letter it submitted in this

1 docket, stating that it was “intimately involved” in that process. As such, it is
2 familiar with what the South Carolina Standard is intended to cover. It is my
3 testimony that the SCSBA’s letter simply reflects the belief that the South
4 Carolina Standard is meant to apply to exactly the type of behind-the-meter,
5 generation at issue here. The SCSBA’s request that the Commission ensure “a
6 nondiscriminatory interconnection process that engenders fair access” and that any
7 such relief granted in favor of BATO “not impair or discriminate” against other
8 facilities currently in the queue simply echoes the spirit and express terms of the
9 South Carolina Standard and DESC’s position in this docket.

10
11 **Q. DOES THE SOUTH CAROLINA STANDARD MAKE SPECIAL**
12 **ACCOMMODATIONS FOR CUSTOMERS PLACING GENERATION**
13 **“BEHIND THE METER” THAT WOULD OPERATE IN PARALLEL**
14 **WITH THE DESC SYSTEM?**

15 A. No. The South Carolina Standard does not contain any such special
16 accommodations for such generation. As discussed above, the South Carolina
17 Standard provides language setting clear boundaries for its application to
18 generation interconnecting to the DESC system and operating parallel to the
19 same—regardless of whether such generation is placed “behind the meter.”
20

1 **Q. DID DESC TELL BATO THAT THE GENERATING FACILITY WOULD**
2 **BE SUBJECT TO THE SOUTH CAROLINA STANDARD PRIOR TO THE**
3 **TIME THE GENERATING FACILITY WAS CONSTRUCTED?**

4 **A.** Yes. DESC made expressly clear on numerous occasions—including prior
5 to the submission of the interconnection request in February of 2018—that the
6 Generating Facility would be subject to the South Carolina Standard and BATO’s
7 interconnection request would be processed in accordance therewith. However,
8 despite all of this, and after BATO’s submission of the interconnection request,
9 BATO proceeded with construction of the Generating Facility—which was
10 completed in October of 2018—only now to declare the South Carolina Standard
11 inapplicable. To be clear, BATO knew well in advance of constructing the
12 Generating Facility that DESC would require the Generating Facility to proceed
13 under the South Carolina Standard.

14
15 **Q. WHY DOES DESC OPPOSE BRIDGESTONE’S REQUEST THAT THE**
16 **COMMISSION ISSUE “AN ORDER REQUIRING [DESC] TO**
17 **AUTHORIZE OPERATION” OF THE GENERATING FACILITY?**

18 **A.** First, let me begin by saying BATO is a valued customer. DESC
19 appreciates BATO’s business and believes that DESC and BATO maintain—
20 despite the instant action before the Commission—the good relationship that has
21 existed for many years. Obviously, DESC never wants to be in a contested,

1 adversarial dispute before this Commission, and certainly not with a valued
2 customer such as BATO.

3 However, BATO is a large industrial customer that is connected to DESC's
4 transmission system, which contains transmission assets that comprise and affect
5 the Bulk Electric System. As such, DESC is required to follow the terms of not
6 only the Electric Service Contract pursuant to which DESC supplies BATO with
7 power, but also the South Carolina Standard prior to any such operation of the
8 Generating Facility. The South Carolina Standard is mandatory and its
9 requirements—including the requirements that subject the Generating Facility to
10 the jurisdiction of the South Carolina Standard—cannot simply be ignored by
11 DESC. Among these requirements, as explained in greater detail by DESC
12 Witness Xanthakos, is the mandate that DESC administer its state interconnection
13 queue in a non-discriminatory manner without providing special treatment to
14 certain projects. By following the South Carolina Standard, DESC ensures the
15 safety and reliability of not only the DESC system, but also BATO's equipment
16 and facility.

17
18 **Q. HAVE BATO AND DESC ATTEMPTED TO INFORMALLY RESOLVE**
19 **THIS DISPUTE?**

20 **A.** Yes. DESC has worked continuously with BATO to resolve this dispute,
21 and met with BATO multiple times—whether at BATO's facility, DESC's
22 facility, or via phone. At these meetings and through various correspondence in

1 between, BATO advanced a similar argument that it now places before the
 2 Commission—neither the South Carolina Standard nor applicable FERC
 3 regulations apply to the Generating Facility. As it relates to the South Carolina
 4 Standard, BATO argued it is inapplicable because the Generating Facility does not
 5 sell power and it solely supplies BATO’s facility. BATO then opined that DESC
 6 could waive provisions of the South Carolina Standard as it deems appropriate. In
 7 the alternative, BATO also argued that S.C. Act No. 62 of 2019 actually amended
 8 or repealed the South Carolina Standard in a manner that rendered them
 9 ineffective against all self-consuming resources. In short, BATO appears to lack
 10 an understanding of the fundamental principles of the South Carolina Standard—
 11 essentially all generators on the DESC system, operating parallel thereto, are
 12 subject to the South Carolina Standard.

13
 14 **Q. YOU NOTED THAT THE ORS WAS ALSO INVOLVED IN**
 15 **DEVELOPING THE SOUTH CAROLINA STANDARD. GIVEN THE**
 16 **NATURE OF THIS DISPUTE, HAVE THE PARTIES ENGAGED THE**
 17 **ORS TO DETERMINE THE APPLICABILITY OF THE SOUTH**
 18 **CAROLINA STANDARD?**

19 **A.** Yes, the ORS has been involved throughout this process in hopes that the
 20 parties could find resolution prior to filing with the Commission. In fact, it is my
 21 understanding that BATO reached out to the ORS regarding this dispute in May of
 22 2018—only a few months after submitting the interconnection request for the

Generating Facility. As a result, the ORS issued a formal ORS Utility Services Request (the “ORS Request”) to DESC on May 29, 2018. The ORS Request was comprehensive in scope and requested—among other things—that DESC provide specific and detailed information regarding the Generating Facility, including a one-line diagram, references to the South Carolina Standard which DESC relied upon in determining the Generating Facility would operate in parallel, and the approximate timeframes pursuant to which DESC would perform the necessary studies and provide an interconnection agreement for the Generating Facility. DESC fully cooperated and provided complete answers to the ORS Request on June 1, 2018, while informing the ORS that DESC believes the South Carolina Standard clearly applies, for the reasons I discussed above.

Q. DID DESC, BATO, AND THE ORS HAVE FURTHER DISCUSSIONS RELATED TO THIS DISPUTE AFTER DESC RESPONDED TO THE ORS REQUEST?

A. Yes. On June 14, 2018—approximately two weeks after DESC responded to the ORS Request—I was informed by the ORS that the ORS had reviewed the information submitted by both BATO and DESC and that, upon investigation of the facts as applied to the South Carolina Standard, the ORS believed that operation of the Generating Facility would be subject to the South Carolina Standard. At that point, the ORS offered to host a meeting with DESC and BATO to explain its position that the South Carolina Standard applied, and it is my

1 understanding that the ORS informed both parties of its position prior to the
2 meeting.

3
4 **Q. WHEN DID THE PARTIES HOLD THE MEETING?**

5 A. On June 26, 2018, DESC, BATO, and the ORS met at the BATO facility.
6

7 **Q. DID YOU ATTEND THAT MEETING ON BEHALF OF DESC?**

8 A. Yes, I did attend the meeting at the BATO facility.
9

10 **Q. PLEASE BRIEFLY SUMMARIZE THE MEETING AT THE BATO**
11 **FACILITY ON JUNE 26, 2018.**

12 A. The meeting was facilitated by the ORS to talk through the disputed issues
13 under the South Carolina Standard and discuss possible alternatives. At the
14 meeting, BATO again re-iterated its position to DESC and the ORS that the South
15 Carolina Standard was inapplicable and noted that it already purchased the panels
16 for the Generating Facility prior to obtaining an interconnection agreement. In
17 response, DESC echoed the position outlined in the testimony submitted in this
18 docket—that the Generating Facility is subject to the South Carolina Standard and
19 DESC cannot treat BATO in a preferential manner in violation of the South
20 Carolina Standard by studying BATO's interconnection request out of queue
21 sequence. Likewise, the ORS explained to both parties that after reviewing the

1 information submitted by DESC and BATO, it believed that operation of the
2 Generating Facility falls within the jurisdiction of the South Carolina Standard.

3
4 **Q. DID THE PARTIES REACH ANY PRELIMINARY CONSENSUS AT**
5 **THAT MEETING REGARDING THE APPLICABILITY OF THE SOUTH**
6 **CAROLINA STANDARD?**

7 A. As discussed above, DESC and the ORS reached a consensus that the South
8 Carolina Standard applies where—as here—an industrial customer installs behind-
9 the-meter, parallel generation. However, BATO refused then, and continues to
10 refuse now, to acknowledge that the Generating Facility falls squarely within the
11 jurisdiction of the South Carolina Standard.

12
13 **Q. ARE YOU AWARE THAT BATO HAS STIPULATED THAT EVEN IF IT**
14 **IS SUBJECT TO THE SOUTH CAROLINA STANDARD, AS YOU**
15 **SUGGEST, THAT IT SHOULD BE GRANTED A WAIVER OF THE**
16 **SAME?**

17 A. Yes.

18
19 **Q. CAN DESC GRANT THESE WAIVERS?**

20 A. No. As discussed in greater detail by DESC Witness Xanthakos, the
21 Commission may grant such waivers, not DESC. However, any such waiver
22 should be based upon sound public-policy objectives.

1
2 **Q. IN WHAT CIRCUMSTANCES WOULD SUCH A WAIVER BE**
3 **APPROPRIATE?**

4 A. As I mentioned above, the Commission is free to grant a waiver. However,
5 typically such a waiver would be limited in scope and granted based on public
6 policy. For example, I understand that the Federal Energy Regulatory
7 Commission (the “FERC”) has considered waivers under a similar context—its
8 large generator interconnection procedures (the “LGIP”). There, the FERC has
9 granted waivers where an “emergency situation or an unintentional error was
10 involved.”² Neither of those are at issue here. The FERC also noted that a one-
11 time waiver of the LGIP may be appropriate where “good cause for a waiver of
12 limited scope exists, there are no undesirable consequences, and the resultant
13 benefit to customers are evident.”³ Applying the FERC’s standard to the similar
14 waiver that BATO has requested here, the waiver violates each of these principles.

15 For example, BATO has not shown sufficient good cause for such a waiver
16 because the Generating Facility’s entire purpose is to serve BATO’s facility—a
17 large, sophisticated industrial customer—in order to achieve certain corporate
18 sustainability goals. As discussed in greater detail by DESC Witness Hodges,
19 DESC is more than capable of helping BATO achieve these goals immediately,
20 without violating the South Carolina Standard. Additionally, there would certainly
21 be undesirable consequences, as evidenced by the letter submitted by the SCSBA

² *Southwest Power Pool, Inc.*, 126 FERC ¶ 61,012, at P 36 (2009).

³ *Id.*

1 that I discussed above because BATO would receive preferential treatment to the
2 detriment of other developers in the queue in violation of the principles set forth in
3 the South Carolina Standard. Surely, similarly-situated developers would then
4 flood the Commission with waiver requests if BATO's were granted. Lastly, it
5 cannot be said that any such waiver would provide a "resultant benefit to the
6 customers" of DESC. To be clear, the Generating Facility is, essentially, a
7 mechanism by which BATO can achieve its corporate sustainability objectives. I
8 cannot imagine any reason why granting BATO a waiver of the South Carolina
9 Standard in order to "jump the line" and operate the Generating Facility to serve
10 BATO's manufacturing facility would provide any resulting benefit to DESC's
11 customers.

12 Outside of precedent from the FERC, there may be other public policy
13 grounds to grant a waiver as well, such as promoting grid security or enhancing
14 cyber security. On May 1, 2020, President Trump signed Executive Order (EO)
15 13920, "Securing the United States Bulk-Power System," which authorizes U.S.
16 Secretary of Energy to work with the Cabinet and the energy industry to better
17 secure the Bulk Electric System (BES). The Department of Energy explained the
18 policy:

19 Serving as the backbone of our Nation's energy
20 infrastructure, the [BES] is fundamental to national
21 security, emergency services, critical infrastructure, and
22 the economy. The 2019 Worldwide Threat Assessment
23 and the 2020-2022 National Counterintelligence Strategy
24 describe in detail the threat foreign adversaries pose to
25 our critical infrastructure and the importance of energy to

1 the United States. Accordingly, it is imperative we work
2 quickly to increase protections to the [BES].⁴

3
4 Clearly, there may be strong policy reasons—whether grounded in the FERC’s
5 precedent or in policies stemming from the executive branch of the United States
6 government—that may justify such a waiver. However, BATO’s stated objective
7 in its Petition of “protect[ing] itself from rising utility costs and [furthering] its
8 commitment to renewable energy” is certainly not such a policy reason—
9 especially because DESC can help BATO achieve those renewable goals at this
10 very moment, as explained in greater detail by DESC Witness Hodges.
11

12 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

13 **A. Yes.**

⁴ <https://www.energy.gov/oe/bulkpowersystemexecutiveorder>